

CONTRA COSTA COUNTY ECONOMIC FORECAST

Like most of the Bay Area, the Contra Costa County economy is crating jobs at a rapid rate. In 2017, the county gained 8,700 jobs, representing a growth rate of 2.4 percent. By comparison, statewide growth was observed at 2.0 percent.

The best performing industries in the county were manufacturing, healthcare, construction, and leisure services. The manufacturing sector generated 800 new jobs in 2017, largely due to higher output at the oil refineries in Martinez and Richmond, and expansion at local pharmaceutical manufacturers.

Contra Costa County is in the middle of a construction boom, particularly for commercial and industrial structures. In 2017, more than \$230 million was invested into new commercial and industrial projects, and almost \$320 million was spent renovating existing buildings. Substantial amounts of investment went into new hotels in Walnut Creek, new retail and warehousing facilities in Concord and Richmond, and new medical buildings in Richmond, El Cerrito, and San Ramon.

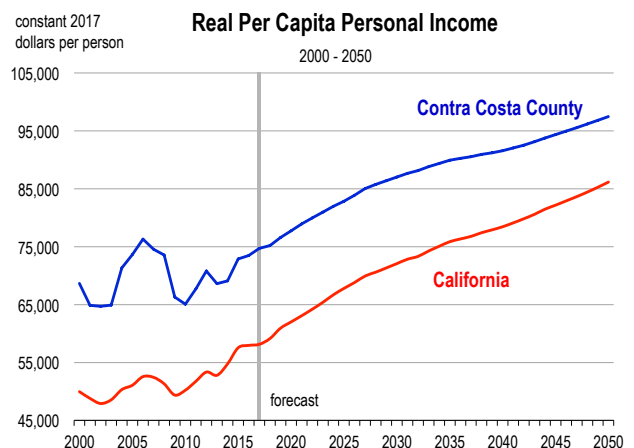
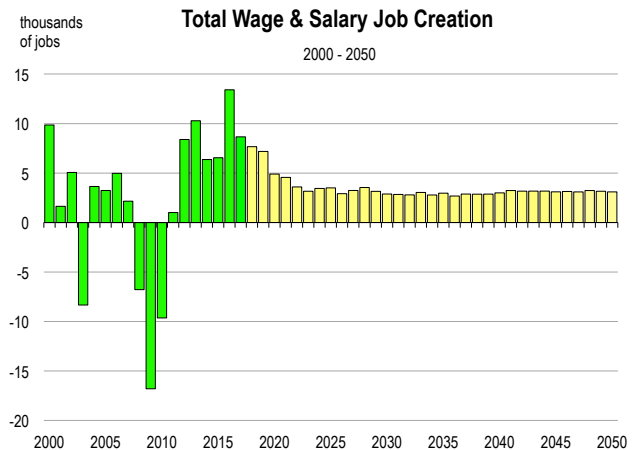
Housing production has also accelerated, but is far below potential. From 2012 to 2017, an average of 2,300 homes were built each year, which has not been enough to accommodate the county's growing population. Home prices are rising rapidly, and housing affordability is becoming a major problem. In Contra Costa County, households often spend more than 35 percent of their pre-tax income on mortgage payments and rent, whereas this figure is typically less than 25 percent across Inland California.

High home prices are reducing migration to Contra Costa County. Population growth has decelerated, and is now similar to the statewide average. That said, people continue to move to the county for its high-paying jobs, and some are arriving from San Francisco County where homes are even more expensive.

The Contra Costa County unemployment rate was exceptionally low in 2017, falling to 3.8 percent, which is near its lowest sustainable level. The economy has now reached a "full employment" scenario, meaning that almost everyone who wants a job already has a job. Under such conditions, job creation is expected to decelerate, and further improvements in the unemployment rate will be minimal.

FORECAST HIGHLIGHTS

- In 2018, total employment will increase by 2.1 percent. From 2018 to 2023, employment growth is expected to average 1.2 percent per year.
- The largest employment gains will be observed in professional services, education and healthcare, and leisure services. Together, these sectors will account for 75 percent of net job creation during the 2018-2023 period.

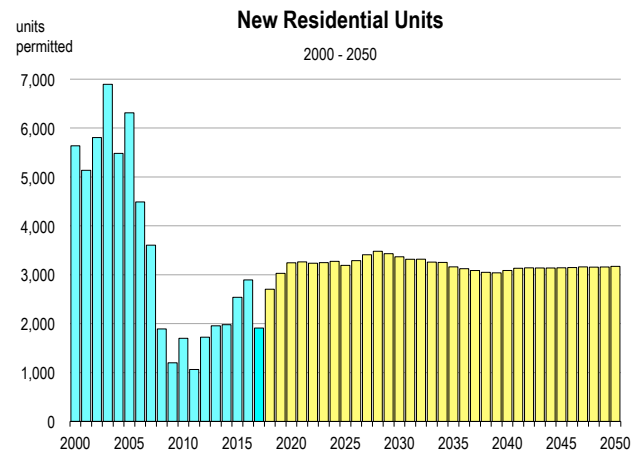
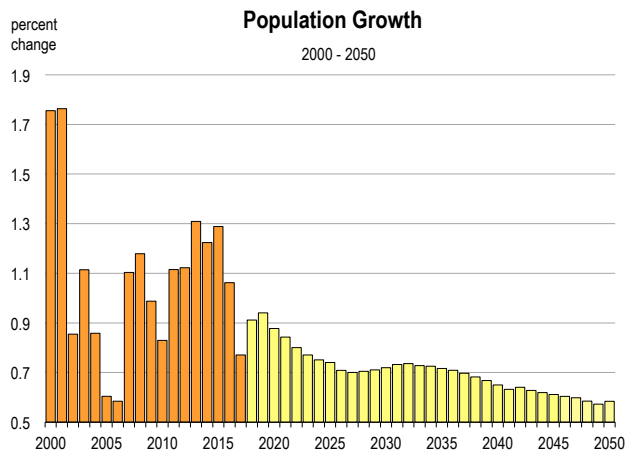


- We are near the peak of the current building cycle, and job losses may be observed in the construction industry during the forecast period.
- Average salaries are currently above the California average, and will remain so over the foreseeable future. In Contra Costa County, inflation-adjusted salaries are expected to rise by an average of 1.6 percent per year between 2018 and 2023, which will be similar to statewide growth.
- Over the forecast period, an average of 3,200 homes will be authorized per year. Most will be single-family units near Concord and Richmond. The largest project will be located near the North Concord/Martinez BART station, and could include up to 12,000 homes, although complete buildout of this project is expected to last 20 years.
- The population is expected to increase by 0.8 percent annually through 2023. Net migration will decelerate, with an average of 4,700 net migrants entering the county each year.

Contra Costa County Economic Forecast

2010-2017 History, 2018-2050 Forecast

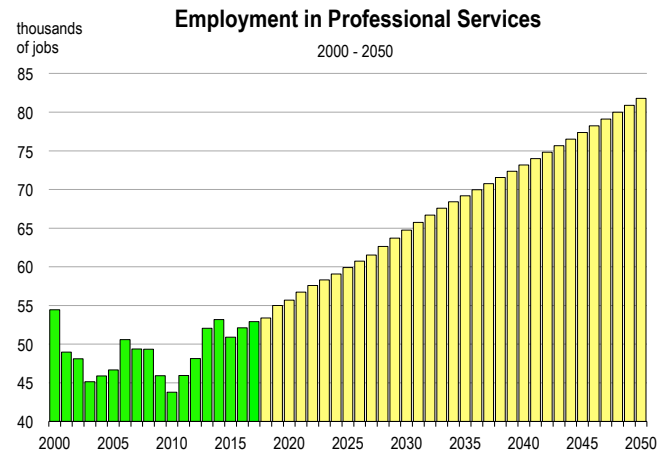
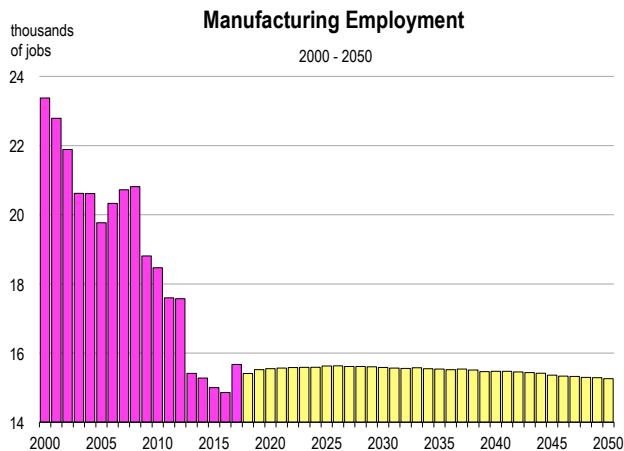
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	1,052,157	3,008	0.92	375.4	1,699	\$12.0	\$56.6	\$65,082	1.3	96.3	5.4	11.0
2011	1,063,888	6,636	0.91	376.9	1,063	\$12.8	\$61.2	\$67,750	2.7	109.5	5.0	10.3
2012	1,075,825	6,968	0.92	380.5	1,722	\$14.0	\$66.3	\$70,803	2.7	104.4	5.1	8.9
2013	1,089,906	9,105	0.95	385.5	1,955	\$14.5	\$66.6	\$68,618	2.3	108.7	4.9	7.5
2014	1,103,248	8,323	0.97	387.9	1,979	\$15.0	\$69.8	\$69,090	2.8	130.8	5.1	6.2
2015	1,117,459	9,207	1.00	390.4	2,538	\$15.7	\$76.5	\$72,864	2.6	136.7	5.2	5.0
2016	1,129,332	6,968	1.08	394.0	2,895	\$15.9	\$80.4	\$73,496	3.1	132.2	5.3	4.5
2017	1,138,039	3,994	1.10	398.5	1,910	\$16.5	\$85.0	\$74,731	3.2	129.4	5.6	3.8
2018	1,148,415	5,515	1.12	400.8	2,704	\$17.2	\$89.5	\$75,204	3.7	128.6	5.8	3.6
2019	1,159,217	5,839	1.15	402.9	3,029	\$18.2	\$94.9	\$76,578	3.1	127.6	5.8	3.4
2020	1,169,391	5,128	1.16	406.1	3,244	\$19.2	\$101.3	\$77,757	4.1	127.5	5.9	3.5
2021	1,179,249	4,706	1.18	409.4	3,263	\$20.1	\$107.4	\$78,940	3.6	127.5	6.1	3.6
2022	1,188,690	4,193	1.19	412.3	3,236	\$21.0	\$113.4	\$79,968	3.5	127.7	6.2	3.7
2023	1,197,854	3,825	1.20	415.1	3,248	\$22.0	\$119.8	\$80,994	3.4	127.9	6.4	3.8
2024	1,206,852	3,574	1.21	418.0	3,274	\$23.1	\$126.1	\$81,984	3.3	128.1	6.5	3.9
2025	1,215,790	3,455	1.21	420.9	3,192	\$24.2	\$132.4	\$82,865	3.1	128.3	6.6	4.0
2026	1,224,409	3,065	1.22	423.7	3,288	\$25.4	\$139.2	\$83,891	3.1	128.5	6.8	4.0
2027	1,232,987	2,961	1.22	426.7	3,409	\$26.6	\$146.3	\$85,058	3.0	128.7	6.9	4.0
2028	1,241,681	3,004	1.23	429.7	3,480	\$27.8	\$153.4	\$85,741	3.3	128.9	7.0	4.0
2029	1,250,507	3,047	1.23	432.7	3,431	\$29.0	\$160.5	\$86,413	3.1	129.2	7.2	4.0
2030	1,259,506	3,136	1.24	435.8	3,367	\$30.3	\$167.7	\$87,047	3.0	129.4	7.3	4.0
2031	1,268,733	3,257	1.25	438.7	3,317	\$31.8	\$175.1	\$87,675	2.9	129.7	7.4	4.0
2032	1,278,073	3,232	1.25	441.7	3,318	\$33.4	\$182.9	\$88,165	3.1	129.9	7.6	4.0
2033	1,287,378	3,073	1.26	444.7	3,259	\$35.1	\$190.6	\$88,836	2.7	130.2	7.7	4.0
2034	1,296,720	3,015	1.26	447.6	3,252	\$36.8	\$198.8	\$89,398	2.9	130.4	7.9	4.0
2035	1,306,012	2,923	1.27	450.5	3,161	\$38.5	\$207.5	\$89,949	3.0	130.7	8.0	4.0
2036	1,315,274	2,874	1.28	453.4	3,124	\$40.1	\$216.8	\$90,272	3.4	131.0	8.2	4.0
2037	1,324,445	2,829	1.28	456.2	3,087	\$41.8	\$226.6	\$90,557	3.5	131.3	8.4	4.0
2038	1,333,483	2,779	1.29	459.0	3,049	\$43.6	\$236.7	\$90,934	3.3	131.6	8.5	4.0
2039	1,342,390	2,722	1.29	461.8	3,039	\$45.3	\$247.3	\$91,230	3.5	131.9	8.7	4.0
2040	1,351,117	2,605	1.30	464.6	3,087	\$47.1	\$258.3	\$91,586	3.4	132.2	8.8	4.0
2041	1,359,662	2,480	1.31	467.4	3,133	\$48.9	\$269.7	\$92,067	3.2	132.5	9.0	4.0
2042	1,368,374	2,694	1.32	470.2	3,141	\$50.7	\$281.3	\$92,558	3.1	132.8	9.2	4.0
2043	1,376,969	2,612	1.32	473.0	3,138	\$52.6	\$293.3	\$93,122	3.0	133.1	9.4	4.0
2044	1,385,497	2,577	1.33	475.8	3,138	\$54.5	\$305.5	\$93,788	2.8	133.4	9.5	4.0
2045	1,393,972	2,563	1.34	478.6	3,142	\$56.4	\$318.5	\$94,354	3.0	133.7	9.7	4.0
2046	1,402,393	2,540	1.35	481.4	3,147	\$58.4	\$331.9	\$94,964	2.9	134.0	9.9	4.0
2047	1,410,786	2,529	1.36	484.2	3,161	\$60.4	\$345.7	\$95,564	2.9	134.3	10.1	4.0
2048	1,419,039	2,397	1.37	487.0	3,156	\$62.5	\$360.2	\$96,197	2.9	134.6	10.3	4.0
2049	1,427,167	2,279	1.38	489.8	3,159	\$64.7	\$375.2	\$96,842	2.9	134.9	10.5	4.0
2050	1,435,506	2,492	1.39	492.6	3,171	\$67.0	\$390.9	\$97,468	2.9	135.3	10.7	4.0

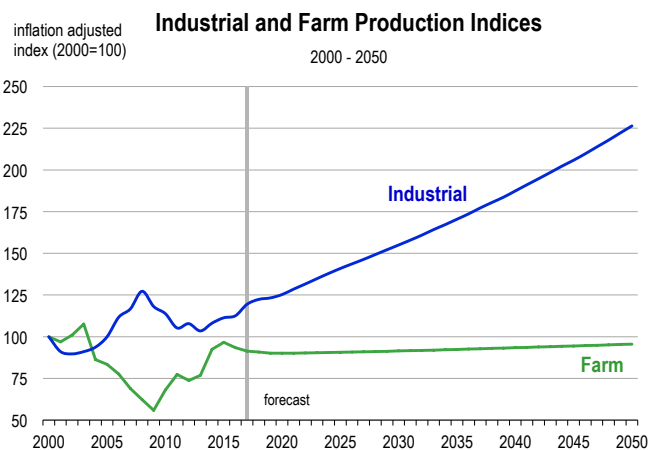
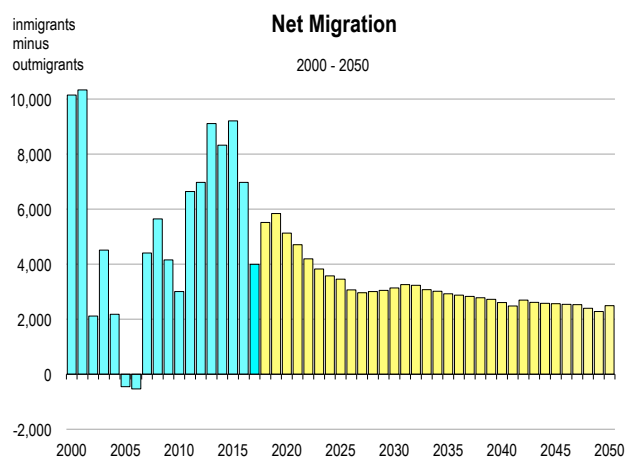
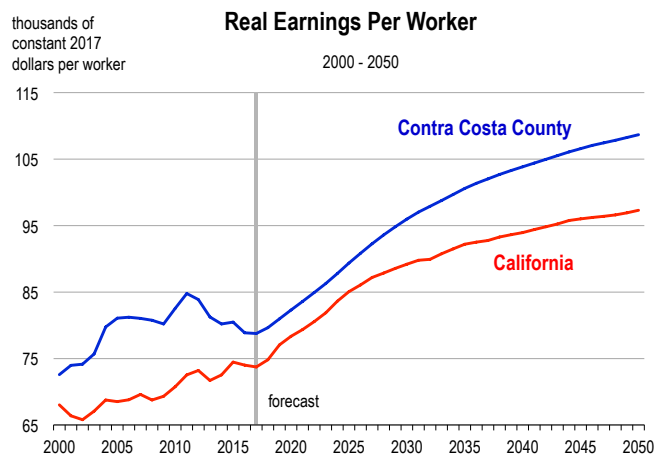
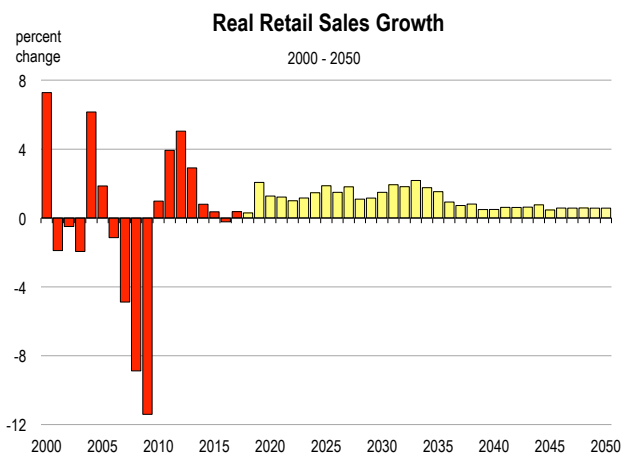


Contra Costa County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	318.2	0.71	18.3	18.5	8.0	48.0	25.3	43.8	9.6	53.7	31.3	49.2
2011	319.2	0.83	17.8	17.6	8.1	48.4	24.8	45.9	9.0	54.3	32.3	47.8
2012	327.6	0.79	19.6	17.6	8.1	49.3	25.3	48.1	8.4	56.4	33.5	48.0
2013	337.9	0.83	21.7	15.4	8.9	49.8	25.3	52.1	8.6	59.5	35.4	48.2
2014	344.2	0.78	21.8	15.3	9.6	50.8	25.0	53.2	8.3	61.5	36.3	49.2
2015	350.8	0.72	22.8	15.0	10.6	51.9	26.3	50.9	8.3	64.1	38.3	49.3
2016	364.2	0.83	25.4	14.9	11.2	53.6	27.0	52.1	8.1	67.3	40.5	50.4
2017	372.9	0.84	26.8	15.7	11.6	54.1	27.2	52.9	8.2	69.7	41.8	50.7
2018	380.5	0.80	28.2	15.4	12.0	54.7	27.8	53.4	8.4	71.9	43.0	51.4
2019	387.7	0.80	28.5	15.5	12.2	55.1	28.2	55.0	8.6	73.9	44.0	52.0
2020	392.6	0.79	28.7	15.5	12.4	55.5	28.4	55.7	8.8	75.7	44.8	52.2
2021	397.2	0.79	28.7	15.6	12.6	55.8	28.5	56.7	8.9	77.4	45.6	52.4
2022	400.8	0.79	28.3	15.6	12.7	56.1	28.6	57.6	9.0	79.0	46.3	52.5
2023	403.9	0.80	27.8	15.6	12.8	56.4	28.6	58.3	9.1	80.4	47.0	52.7
2024	407.4	0.80	27.7	15.6	12.9	56.7	28.7	59.1	9.2	81.8	47.6	52.9
2025	410.9	0.80	27.6	15.6	12.9	57.0	28.8	59.9	9.4	83.0	48.1	53.2
2026	413.8	0.80	27.2	15.6	12.9	57.3	28.8	60.7	9.5	84.2	48.5	53.4
2027	417.0	0.80	27.2	15.6	13.0	57.7	28.8	61.5	9.6	85.3	48.9	53.7
2028	420.6	0.80	27.4	15.6	13.0	58.1	29.0	62.6	9.7	86.3	49.3	53.9
2029	423.7	0.81	27.4	15.6	13.0	58.4	29.0	63.7	9.8	87.3	49.6	54.1
2030	426.6	0.81	27.2	15.6	13.0	58.7	29.0	64.7	9.9	88.2	49.9	54.3
2031	429.4	0.81	27.1	15.6	13.0	59.1	29.0	65.7	10.0	89.1	50.2	54.5
2032	432.2	0.81	27.0	15.6	13.0	59.6	29.0	66.7	10.1	90.0	50.5	54.7
2033	435.3	0.81	27.1	15.6	13.1	60.0	29.0	67.6	10.2	90.9	50.7	54.9
2034	438.1	0.82	27.1	15.5	13.1	60.5	29.0	68.4	10.3	91.8	51.0	55.1
2035	441.0	0.82	27.2	15.5	13.1	61.0	29.0	69.2	10.4	92.8	51.2	55.3
2036	443.7	0.82	27.1	15.5	13.1	61.3	28.9	70.0	10.4	93.8	51.5	55.5
2037	446.6	0.82	27.2	15.5	13.1	61.6	28.9	70.8	10.5	94.9	51.7	55.7
2038	449.4	0.82	27.3	15.5	13.1	61.9	28.9	71.6	10.6	96.0	52.0	55.9
2039	452.3	0.83	27.4	15.5	13.1	62.1	28.9	72.4	10.7	97.2	52.2	56.0
2040	455.3	0.83	27.5	15.5	13.1	62.3	28.9	73.2	10.8	98.5	52.4	56.2
2041	458.5	0.83	27.8	15.5	13.1	62.5	28.9	74.0	10.9	99.7	52.6	56.4
2042	461.7	0.83	28.0	15.5	13.1	62.7	29.0	74.8	11.0	101.0	52.9	56.6
2043	464.9	0.84	28.1	15.4	13.1	62.9	29.0	75.7	11.1	102.4	53.1	56.8
2044	468.1	0.84	28.3	15.4	13.1	63.2	29.0	76.5	11.2	103.7	53.3	57.0
2045	471.2	0.84	28.4	15.4	13.1	63.4	29.1	77.4	11.3	105.0	53.5	57.2
2046	474.3	0.84	28.5	15.3	13.1	63.6	29.1	78.2	11.4	106.4	53.7	57.4
2047	477.4	0.85	28.6	15.3	13.1	63.8	29.1	79.1	11.4	107.7	53.9	57.6
2048	480.6	0.85	28.8	15.3	13.1	64.0	29.2	80.0	11.5	109.0	54.2	57.8
2049	483.8	0.85	28.9	15.3	13.1	64.2	29.2	80.9	11.6	110.3	54.4	58.0
2050	486.9	0.85	29.0	15.3	13.1	64.4	29.2	81.8	11.7	111.6	54.6	58.2





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	6.9%
Expected job growth:	6.2%
Fastest growing jobs sector:	Health and Education
Expected personal income growth:	12.3%

Expected population growth:	4.3%
Net migration to account for:	47.9%
Expected growth in number of vehicles:	6.8%

Demographics (2018)

Unemployment rate (April 2018):	2.8%
County rank* in California (58 counties):	9th
Working age (16-64) population:	64.6%

Population with B.A. or higher:	39.9%
Median home selling price (2017):	\$560,000
Median household income:	\$92,311

Quality of Life

Violent crime rate (2016):	334 per 100,000 persons
County rank* in California (58 counties):	22nd
Average commute time to work (2018):	40 minutes

High School drop out rate (2017):	5.0%
Households at/below poverty line (2018):	7.6%

* The county ranked 1st corresponds to the lowest rate in California